

**SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014**

*The regular Board Meeting of the Seminole County Port Authority was held in the Board Room of the Administration Building at the Port of Sanford on September 17, 2014.*

*Chairman Dana McBroom called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairman; Matthew T. Brown, Vice-Chairman and Secretary; Kyle Kilger, Treasurer; Michael McLean, Member; William H. Poe, Member; Cliff Miller, Member; Michael Caraway, Member; Thomas Kuhn, Member; and Brenda Carey, BCC Member.*

*Staff present: Andrew Van Gaale, Administrator; and Jennifer Parker, Administrative Assistant.*

*Others present: Stephen H. Coover, SCOPA Attorney, and Nicole Guillet, County Manager.*

*The invocation was given by Mr. Poe followed by the pledge to the Flag.*

*The Chairman asked for corrections or additions to the minutes of the August 20, 2014, Board Meeting.*

***MOTION WAS MADE BY MATTHEW T. BROWN, SECONDED BY MICHAEL MCLEAN TO APPROVE THE MINUTES OF THE AUGUST 20, 2014, BOARD MEETING AS PRESENTED.***

***MOTION CARRIED UNANIMOUSLY.***

*The Balance Sheet and Budget Statement for the month of August 2014 and year-to-date were presented to the Board. The Administrator referred to the revenue and expenditure charts explaining that revenues for the month were over budget by \$21,202 and over budget in the amount of \$180,986 for the year. Expenditures for the month were over budget by \$4,401, but still under budget in the amount of \$36,485 for the year. The year to date profit is \$695,097, which equates to 40.1%, and occupancy was 95.1%. There were no questions on the August 2014 Financial Statements.*

*The Administrator presented the Outstanding Bills to the Board for discussion and approval. He explained that the bills were still under budget for the year with the September bills totaling \$45,971.95 and the bills due October 1<sup>st</sup>, totaling \$7,543.17. There were no questions on the Outstanding Bills.*

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

**MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY WILLIAM POE TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.**

**MOTION CARRIED UNANIMOUSLY.**

*The Administrator referred to the Aged Receivables list explaining that Acme Recycling Industries, LLC, has a \$56,675.64 balance under their chapter 11 filings and has not paid their \$16,248.74 administrative rents for the month of September. However, the principle, Linda Landry, anticipated paying the administrative rents this week. Bandit Performance also intends to clear up his outstanding balance this week and has given notice that he does not plan to renew his Lease in October. Big Mike's Boats, LLC, are current and there should not be a problem getting paid this month. Integrity Management has a small outstanding balance.*

*The Administrator recapped that Robert Byrd, the attorney for Ryan and Reed, Inc., wrote a letter stating that Joe Hunt has effectively closed his business and retired as of this June. After doing some research, the Administrator explained that he visited the last known places of business for Ryan and Reed where he was told that they had not been seen in the past six months. Mr. Coover stated that since we have a Judgment against Joe Hunt, one of the principle owners of Ryan and Reed, Inc., he did some research and found that the FTC has been after them for improper debt collection practices. Mr. Coover explained that Mr. Hunt, his son, wife, two corporations with the same name, one in Georgia and our tenant here in Florida, all have a FTC Judgment against them for \$3.4 million dollars. Apparently, all of the assets have been collected and liquidated with the \$3.4 million remaining suspended on the defendant's inability to pay. Therefore, Mr. Coover recommended writing off the debt reiterating that not only would SCOPA's Judgment remain in place in Seminole County he would be filing it in Volusia County as well.*

**MOTION WAS MADE BY BRENDA CAREY, SECONDED BY KYLE KILGER TO WRITE OFF THE OUTSTANDING BALANCE OF RYAN & REED, INC., AND INTEGRITY MANAGEMENT SOLUTIONS, INC.**

**MOTION CARRIED UNANIMOUSLY.**

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – Mr. Coover reported that Acme has not paid their administrative rent for the month of September. He further explained that there was supposed to be a Hearing tomorrow in the Bankruptcy Court. However, the debtors filed a Motion to continue that hearing. SCOPA's bankruptcy attorney Robert

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*Pflueger had recommended approval of the liquidation plan which the Administrator filed on the September 12, 2014 deadline. Mr. Coover asked the Board for a Motion to ratify the vote on the liquidation plan.*

**MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY BRENDA CAREY TO RATIFY THE ACCEPTANCE OF THE PLAN OF LIQUIDATION IN THE ACME RECYCLING, LLC, BANKRUPTCY.**

**MOTION CARRIED UNANIMOUSLY.**

ADMINISTRATOR'S REPORT

*There being no old business, the Administrator moved on to new business.*

NEW BUSINESS

a) Leases - *The following Leases were presented for approval:*

1. New Lease – Thomas Companies, Inc., 1910 Dolgner Place, 1 year Lease beginning September 1, 2014 through August 31, 2015, at the budgeted monthly rate of \$1,400.00 (3,000 s.f. warehouse @ a rate of \$5.60/s.f./yr.). Personal Guarantee.
2. Lease Termination – (In conjunction with new Lease #1.) Compass Building Services, LLC, 1910 Dolgner Place, 1 year Lease beginning March 1, 2014 through February 28, 2015, with 60 termination clause, at the budgeted monthly rate of \$1,400.00 (3,000 s.f. warehouse @ a rate of \$5.60/s.f./yr.). Personal Guarantee. Tenant exercising 60 day termination.
3. New Lease – Legacy Glass, Inc., 1980 Dolgner Place, Suite 1052, 1 year Lease beginning October 1, 2014 through September 30, 2015, at a monthly rate of \$775.00 (1,500 s.f. warehouse @ a rate of \$6.20/s.f./yr.). Personal Guarantee.
4. Lease Renewal – Legacy Glass, Inc., 1980 Dolgner Place, Suite 1060, 1 year Lease beginning October 1, 2014 through September 30, 2015, at the budgeted monthly rate of \$1,400.00 (2,712 s.f. warehouse with 288 s.f. office @ a blended rate of \$5.60/s.f./yr.). Personal Guarantee.
5. New Lease – Miller Lights, Inc., 1470 Kastner Place, Suite 100, 1 year Lease beginning October 1, 2014 through September 30, 2015, with a 60 day termination clause, at the budgeted monthly rate of \$945.00 (1,500 s.f. warehouse with office @ a blended rate of \$7.56/s.f./yr.). Personal Guarantee.

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

6. Lease Termination – (In conjunction with new Lease #5.) Progressive Marketing Services, Inc., 2 year Lease, 1470 Kastner Place, Suite 100 beginning September 1, 2013 through August 31, 2015, at the budgeted monthly rate of \$945.00 (1,500 s.f. warehouse with office @ a rate of \$7.56/s.f./yr.). Personal Guarantee. Lessee has requested termination due to having to close company.
7. New Lease – Donald Hachenberger, 1450 Kastner Place, Suites 113-125, 1 year Lease beginning October 1, 2014 through September 30, 2015, at the budgeted monthly rate of \$2,600.00 (8,000 s.f. warehouse with office @ a rate of \$3.90/s.f./yr.).
8. Lease Renewal – Radios OEM, Inc, 1470 Kastner Place, Suite 108, 1 year Lease beginning October 1, 2014 through September 30, 2015, at the budgeted monthly rate of \$850.00 (1,500 s.f. office/warehouse @ a blended rate of \$6.80/s.f./yr.). Personal Guarantee.
9. Lease Renewal – Ultimate Woodworks, Inc., 1551 & 1555 Dolgner Place, 1 year Lease beginning October 1, 2014 through September 30, 2015, with 5% increase to the budgeted monthly rate of \$1,521.45 (4,000 s.f. warehouse @ a rate of \$4.56/s.f./yr.). Personal Guarantee.
10. Lease Renewal – Kurt D. Shirley d/b/a Shirley Motor Sports, 1470 Kastner Place, Suite 120, 1 year Lease beginning October 1, 2014 through September 30, 2015, with a 60 day termination clause, at a 5% increase to the budgeted monthly rate of \$799.05 (1,500 s.f. warehouse @ a rate of \$6.39/s.f./yr.).
11. Lease Renewal – Freeport Fountains, LLC, 1471 Kastner Place, Suite 121, 1 year Lease beginning September 1, 2014 through August 31, 2015, with a 60 day termination clause, at the monthly rate increase to \$697.00 (1,500 s.f. warehouse @ a rate of \$5.58/s.f./yr.). Personal Guarantee.
12. Lease Renewal – Water Specialists Technologies, LLC, 1515 Kastner Place, 5 year Lease beginning October 1, 2014 through September 30, 2019, with a 5% increase to the budgeted monthly rate of \$4,254.60 (6,600 s.f. warehouse, 1,720 s.f. office @ a blended rate of \$6.14/s.f./yr.).

*The Administrator reviewed the list of Leases and requested approval of the Leases as presented. He further explained that Lease Renewal number 9, Water Specialists Technologies, LLC, was a long time tenant at the Port of Sanford who has allowed the Administrator to review his CPA prepared, company financials in lieu of a personal guarantee. He further noted that since Water Specialists' last two Lease renewals were approved without the personal guarantee, this isolated precedent predates the new Leasing Policy.*

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*Matthew T. Brown inquired as to the monthly rate of item #7, the new Lease to Donald Hachenberger. The Administrator explained that the unit was in rough shape due to a previous tenant in the past that recoated ceramic tubs. Despite some efforts to grind the resins off the floor, little improvement to the unit has been achieved. Also, it was noted that typically the larger the units recognize a lower per square foot rate.*

**MOTION WAS MADE BY MATTHEW T. BROWN, SECONDED BY WILLIAM POE TO APPROVE THE LIST OF LEASES AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

*b) Election of Officers for FY 2014/2015-- Chairman McBroom presented the following nominations for Office for the 2014/2015 fiscal year: Matthew T. Brown, Chairman; Michael McLean, Vice-Chairman; Michael Caraway, Treasurer; and Cliff Miller, Secretary.*

**MOTION WAS MADE BY KYLE KILGER, SECONDED BY WILLIAM POE TO NOMINATE THE FOLLOWING SLATE OF OFFICERS FOR THE 2014/2015 FISCAL YEAR:**

**MATTHEW T. BROWN - CHAIRMAN  
MICHAEL MCLEAN - VICE-CHAIRMAN  
MICHAEL CARAWAY – TREASURER  
CLIFF MILLER – SECRETARY**

**MOTION CARRIED UNANIMOUSLY.**

*There being no further discussion, Chairman McBroom asked for a motion to close the slate.*

**MOTION WAS MADE BY WILLIAM POE, SECONDED BY MATTHEW T. BROWN TO CLOSE THE SLATE OF OFFICERS FOR THE 2014/2015 FISCAL YEAR.**

**MOTION CARRIED UNANIMOUSLY.**

*c) SCOPA FY 2014/2015 budget re-evaluation as requested by Seminole County Board of County Commissioners – The Administrator referred to Memorandum #2223, explaining that on June 18, 2014, the Port Authority Board approved the fiscal year (FY) 2014/2015 Budget. Subsequently, on August 26, 2014, the Board of County Commissioners (BCC) tabled the Budget and a letter was sent to our Board members requesting consideration of increasing the surplus fund transfer to the Seminole County General Fund.*

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*The Administrator referred to Memorandum #2223 in which he included a couple of options for discussion. He clarified that despite the item under consideration, the total budget would not change from \$4,010,207. The projected revenues remain at \$1,798,514, the projected expenditures remain at \$1,240,643, and therefore, the anticipated profit of \$557,871 does not change. Referring to the three options presented in section 5, the Administrator explained that the first option depicted the budget as previously approved with an anticipated cash balance at end of year of \$2,269,564. The second option depicts the budget with the requested \$1,000,000 transfer of surplus funds to the Seminole County General Fund bringing the anticipated cash balance at end of year to \$1,769,564. The third option depicts the budget with a \$750,000 transfer of surplus funds to the Seminole County General Fund bringing the anticipated cash balance at end of year to \$2,019,564.*

*The Administrator noted that much of the reserve capital is committed to the Five Year Capital Improvement Plan along with good business practice reserve funds. He also noted that while being partners with the County and helping was important, the Port could not sustain contributions of that size every year without soon seeing deficits and a negative effect on the annual audits.*

*Chairman McBroom requested for the benefit of the newer Board members that the Administrator review the legislation to clarify why the Port is going through this process. The Administrator explained that the Seminole County Port Authority, created by the legislature in 1965, operates under the laws of Florida, Chapter 2010-240. The Port Authority is a Dependant Special District, acting as a form of local government, the Seminole County Board of County Commissioners (BCC) approves the total budget, the BCC also appoints the nine member Board to operate the Port Authority, and the Board is charged with not over spending the budget. Section 17 of the legislature states that the SCOPA Board may at its discretion transfer to the Seminole County General Fund any moneys derived from its operation which are declared to be surplus to the needs of the Authority.*

*Commissioner Carey asked the Administrator what would happen if the BCC did not approve the SCOPA FY 2014/2015 Budget. The Administrator explained that as a Dependant Special District, the SCOPA Budget was a component of the County Budget. Mr. Coover stated that, while he had not done a great deal of research and he is not familiar with what the County is required to do, Florida Statute 129:02 states that for each Special District included in the County Budget it shall show budget revenues and expenditures.*

*Commissioner Carey explained that she had been on the Board for many years and had been a part of past ten year planning which projected surplus fund transfers to the County leveling at \$1 million. Matthew T. Brown inquired as to when those projections were made stating that, also as a long term Board Member, he does not recall such projections. Cliff Miller interjected that he personally took the only \$1 million check from SCOPA to the County and that it was not a sustainable transfer.*

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*Matthew T. Brown agreed that with projected profits of only \$557,871 an annual \$1 million dollars transfer was not possible.*

*Commissioner Carey explained that SCOPA has 44% in reserves and that good government accounting says that 20% is plenty. Cliff Miller expressed that he did not agree. He explained that what is being referred to as reserves includes security deposits, which are a liability, as well as funds for capital improvements designated in the Five Year Capital Improvement Plan. Further, he stated that should SCOPA pass through all of the profit in not more than three years the Port would be out of business. He further stated that if it was the desire to strip the Port of Sanford bare to be sold off for condominium development it should be considered that you would be trying to build on a swamp at just eight feet above sea level. Matthew T. Brown posed the question that should the Board elect to do so, then who would it be forced to borrow money from for any needed capital improvements?*

*Commissioner Carey stated that the BCC was looking to every potential funding point that they can to close the budget gap. If the BCC does not close the gap, then they will be forced to raise taxes in order to cover the cost of general government. She explained that if the BCC continues to dip into their reserves that they built in the good years by 2017 there will be no more funds. Furthermore, the Commissioner explained that if they dip into the County reserves below 20% the County the Bond Rating goes up.*

*Kyle Kilger inquired as to what was the deficit or the current gap the County was trying to close. County Manager Guillet explained that the current County budget will require pulling \$8 million out of reserves to balance the budget. She stated that it was less than recent years and they were working towards establishing a balance where the revenues and expenditures will equalize. The County Manager expressed that the request from the BCC should not be received as an edict from the BCC that they expect any fixed number in any coming year. She explained that they were working hard to get to a place where they did not have to dip into the County reserves, or anyone else's reserves for that matter, in order to balance the budget. Mrs. Guillet stated that the BCC is only asking that for this budget year under review, could SCOPA step up with a larger contribution than originally proposed since SCOPA has such a healthy reserve.*

*Chairman McBroom stated that she felt it was important to note that SCOPA does have a healthy reserve because of the Capitol Improvement Plan. There have been projects such as the Tank Farm remediation that SCOPA was able to do because of the saved reserves. She then stated that she also saw the importance of partnering with the County. Matthew T. Brown agreed that he too was on board with helping the County out and that he truly appreciated the County Manger's clarification that this was a one-time request and that the BCC was not going to be expecting this annually.*

*Commissioner Carey asked the Board to also remember that with the past \$500,000 surplus fund transfers to the County, the SCOPA Board has requested \$150,000 be designated to Seminole State College Foundation for the Small Business*

SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*Services Department. She stated that while trying to be good partners with the College, our responsibility is to our own budget. The Commissioner further stated it was also important to keep in mind that this Board cannot obligate past one year. She clarified that the request from the BCC would be Option #2, the \$1 million surplus fund contribution, as presented by the Administrator.*

*Matthew T. Brown stated that he was not opposed to what the Commissioner was requesting. However, he said it was difficult when looking at the money going out. As a former Board Member of the YMCA, he used the example of the \$71,000 that the BCC gave the Seminole County School Board for after school program scholarships. He said prior to the School Board taking over the after school program, it was operated by the YMCA at a profit, who raised the scholarship funds and at no cost to any government.*

*County Manager Guillet commented that the conversation being had was a testament that the Port's success is the County's success too. She stated that the fact that SCOPA is able to step up, they want the Port to succeed because it is good for the County. She said that the Port was not seen as an entity that could be bled when short on money. If the Port is not being successful and profiting then there is not going to be anything to give back to the County. She further stated that economic development is very important to this community and everyone who sits on the BCC dais supports that.*

*Chairman McBroom expressed that everyone on the Board understands that with the current budget and economy, that giving \$1 million a year is unsustainable. Therefore, the BCC is asking SCOPA, for the 2014/2015 fiscal year, to add an additional \$500,000 to the previously committed \$500,000 for a total of a \$1 million surplus fund contribution, understanding that it will be re-evaluated every year.*

**MOTION WAS MADE BY MATTHEW T. BROWN, SECONDED BY BRENDA CAREY TO INCREASE THE SURPLUS FUND CONTRIBUTION FROM \$500,000 TO \$1,000,000 FOR THE 2014/2015 FISCAL YEAR BUDGET.**

*Cliff Miller requested further discussion to review for the record the actual contributions that had been given to the County. He read: in 2001 the contribution was \$30,000, then in years 2002 through 2006 the contribution was \$300,000, 2007 was the year that the contribution was \$1,000,000, in 2008 the contribution was \$950,000, in subsequent years the contribution was \$850,000, \$800,000, \$550,000, \$450,000, \$450,000, and this year \$500,000, for a total surplus fund contribution to the County of \$7,080,000.*

*Mr. Miller said that SCOPA is also a reflection of what is going on out there on the streets having received many letters requesting for stays in rent increases. He stated that occupancy was nowhere near 90% until just recently, with vacancies and collections that had to be charged off. Mr. Miller said that SCOPA takes risks and has not gone to the County asking for money, because the Board has done a good job maintaining its'*



SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014

*self sufficiency. He also wanted clarified that the Five Year Capital Improvement Plan for the thirty-year-old buildings here at the Port was included in the amount that was being labeled as 44% reserves. Mr. Miller stated that if the Board agreed to the increased contribution it could not be held to it every year because it just was not possible.*

*Michael McLean stated that he viewed the relationship between SCOPA and the BCC much like when the Tax Collector has surplus funds, it is mutually beneficial. He stated that while he recognized the opportunity to help the community, he had concerns that SCOPA Board had followed due diligence creating and approving a budget, presenting it to the BCC who then tabled it asking for more. The result is the SCOPA Board being asked to deviate from the budget process it has historically followed per its legislature, thus changing the dynamic of the relationship. Mr. McLean stated that he frankly felt it was late to make such a change, however, if it was going to occur it needed to be locked down as a one-time scenario under these circumstances. Mr. McLean stated that, furthermore, if the BCC was going to ask the SCOPA Board to contribute additional funds, it was reasonable for the SCOPA Board to likewise ask the BCC how those funds were to be spent.*

*County Manager Guillet answered that 38% of the County Budget is controlled by the County proper creating a situation where they are trying to balance a budget where constitutional officers are submitting budgets the BCC has no control over. She explained that the BCC has the same kind of interaction with each of the constitutional officers as being had here. Mrs. Guillet explained that even with a 1.8% salary increase for staff, the operating budget for the County proper is \$3 million less than it was last year. She also noted that there were a lot of budget items unknown until all the constitutional officers submit their budget. For example, the Tax Collector is building a new facility this year which resulted in a \$2 million hit. County Manager Guillet stated that there was never a discussion at the last BCC meeting where the SCOPA budget was reviewed that anyone threatened to not approve the budget.*

*Matthew T. Brown said that as part of the budget committee and the incoming Chairman, he has reviewed the budget in detail and is comfortable with the one-time increased contribution to \$1 million dollars. He stated that it was important to note that in addition to the capital improvement plan there were two known areas needing redevelopment, Fitzpatrick Point and the recycling center. The Administrator concurred and recommended passing the Motion for a one-time increase in the surplus fund contribution to the County.*

*Chairman McBroom asked for comments from the Board Members not yet heard from before going to a vote. Michael Caraway expressed that he felt that looking at where the Board is right now, the Port can handle the additional \$500,000. However, looking at the Capital Improvement Plan it does give him pause for future years. William Poe stated that he was in agreement, agreeing that we needed to be partners with the County, but not make any commitments beyond this particular year under discussion.*

*SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 17, 2014*

*Michael McLean asked that it be made crystal clear that this was a decision made at this entities discretion, no one else's, and it was a situation that did not obligate SCOPA in any way for any future years.*

*Chairman Mc Broom called the vote.*

***MOTION CARRIED UNANIMOUSLY.***

*There being no further business, the meeting was adjourned at 5:15 p.m. by Chairman McBroom.*

---

*Dana McBroom, Chairman*

---

*Matthew T. Brown, Secretary*